

**Lease Agreement
between City and Borough of Sitka
and Maris Inc**

This Lease Agreement between City and Borough Of Sitka and Maris Inc (“Lease Agreement”) is made between the City and Borough of Sitka, Alaska, 100 Lincoln Street; Sitka, Alaska 99835 (“Lessor” or “City”) and Maris Inc, 4702 E Beacon Lane Suite 106, Caldwell, Idaho 83605 (“Lessee”).

The Lessor and Lessee agree as follows:

1. Lessor shall lease to Lessee a portion of the parking lot at Sealing Cove Harbor (“lease area”), equating to approximately 600 square feet of space. *See* Exhibit A. Lessee agrees to operate within the above described lease area.
2. Lessee understands that the lease area is in an “as is” condition which means any improvements necessary to make the lease area acceptable to Lessee are the responsibility of Lessee.
3. The lease area shall be used for the storage and staging of materials and equipment for a construction project for the USCG. This Lease Agreement shall be on a month-to-month basis beginning on its execution date. The Lease Agreement is expected to terminate within six (6) after execution but shall continue beyond that time period on a month-to-month basis unless otherwise terminated in accordance with the terms of this Lease Agreement.
4. Lessee understands that any improvements to the lease area made by Lessee must conform to City building codes and the improvements must be approved by the Harbormaster as authorized by the Municipal Administrator.
5. Lessor and Lessee both reserve the right to terminate this Lease Agreement at Lessor’s or Lessee’s convenience. Lessee shall give Lessor a 30-day written notice if Lessee wishes to vacate. Lessor shall give Lessee either a 30-day written notice to either vacate or move to another location within the Sealing Cove Harbor parking area at Lessee's expense, if such a space is available as determined at the sole discretion of Lessor.
6. Lessee agrees it is solely responsible for all security necessary to protect its property. Lessor shall not be held liable for damage or loss.
7. Flammable, caustic or explosive items or materials will not be allowed within the lease area.
8. No fuel burning appliances shall be used for heat or power.
9. Lessee shall not perform welding or other work within the lease area that presents a fire hazard or possible ignition source.

10. Lessee shall ensure that all of its employees that occupy the lease area are included in Lessee's Workers Compensation Insurance Policy, as required by law. This requirement extends to all subcontractors, suppliers and agents of Lessee, as required by law.
11. Lessee shall pay to Lessor rent of \$90 per month due the first of each month, with payment delivered to the City and Borough of Sitka; 100 Lincoln Street; Sitka, Alaska 99835. For the first month's rent if for a partial month, the rent shall be pro rated from the execution date of this Lease Agreement, and payable at the time this Lease Agreement is executed. City sales tax shall be applied to all rent payments. Placing goods or materials for any portion of any day, in other than the lease area described above, shall result in a lease surcharge for that month at a per square foot rate for the used space at five times the per square foot rate of the lease area on a pro-rated daily basis. Such surcharge or payment does not create an approved ongoing use of the space in question. If Lessee desires to increase its lease area, it may request an amendment to this Lease Agreement.
12. Lessee is responsible for the installation and cost of connecting to an electrical source. Lessee will be responsible for payment of all power charges associated with its operations.
13. Lessor shall review the rent rate every six months if the Lease Agreement is still in effect, and make adjustments, if necessary.
14. Lessee shall insure that its materials, vehicles, and equipment do not block roadways or building entrances.
15. Lessor will not be liable for any loss or damage to person or property caused by theft, fire, acts of God, acts of public enemy, riot, strike, insurrection, war, court order, requisition, or order of government body or authority, unless caused by the acts of Lessor. Lessee will indemnify and defend Lessor, by counsel acceptable to Lessor, against any liabilities, including reasonable attorney fees and court costs, arising out of or relating to the following:
 - 1) Claims of injury to or death of persons or damage to property occurring or resulting directly or indirectly from the use or occupancy of the lease area, or from activities of Lessee, Lessee's invitees, or anyone about the lease area, or any other cause, except to the extent caused by Lessors negligence or willful misconduct:
 - 2) Claims for work labor performed, or for materials or supplies furnished to or at the request of Lessee in connection with performance of any work done for the account of Lessee within the lease area; and
 - 3) Claims arising from any breach or default on the part of Lessee in the performance of any covenant contained in this Lease. The provisions of this Section will survive the expiration or termination of this Lease Agreement with respect to any claims or liability occurring prior to the expiration or termination.

16. Lessee shall carry and maintain, during the entire term of this Lease Agreement, at Lessee's sole cost and expense, a commercial general liability insurance policy with limits of not less than \$1,000,000 per occurrence, insuring against any and all liability of Lessee with respect to the lease area or arising out of the use or occupancy thereof. Lessee shall furnish Lessor with a certificate of insurance, showing that the Lessor has been named as an additional insured on said policy.

Lessee shall also carry first party property insurance covering all personal property on the premises including inventory, equipment and improvements. This shall be an all-risk type of property insurance. Lessee shall also have business interruption insurance that will cover any obligations they may have for continuing to meet the payment requirements of this Lease following a loss, regardless of the fault of Lessee or Lessor.

17. Mutual Waiver of Subrogation – For and in consideration of the execution hereof by each of said parties, Lessee and Lessor do each herewith and hereby release and relieve the other, and waive their entire claim of recovery for loss or damage to property arising out of or incident to fire, lightning and the perils included in the extended coverage insurance, as customary in an all-risk type of property insurance policy, in , or about the lease area, whether due to the negligence of any of said parties.

18. Upon termination of this Lease Agreement, Lessee shall remove all materials, equipment and other personal property from the lease area and return the lease area to a satisfactory condition within 30 days. Lessor has the right to charge Lessee any cost associated with returning the area to a satisfactory condition, including but not limited to, the removal of materials, equipment and other personal property.

[ACKNOWLEDGMENTS AND SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the parties have executed this Lease Agreement on the date listed below. Each person executing this Lease Agreement has the legal authority to bind the party that the person represents.

City and Borough of Sitka

Maris Inc

100 Lincoln Street
Sitka, Alaska 99835

4702 E Beacon Lane Suite 106
Caldwell, Idaho 83605

By: _____
John Leach
Municipal Administrator

By: _____
Shay Meskill
President

Date: _____

Date: _____

Attest:

By: _____
Sara Peterson, MMC
Municipal Clerk

Date: _____